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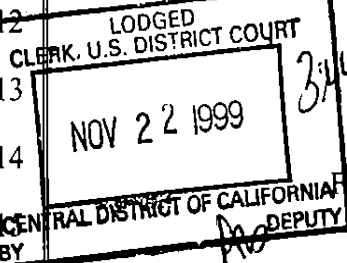
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UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA

ROBERT JACOBS, TIFFANY LEWIN,
JAMES CAVE, TED HANDEL, MARK
DURANTE, DAVID LANDRY and
SERGIO SMIRIGLIA, individually and on
behalf of all others similarly situated,

Plaintiffs,

v.

CRAIG CONSUMER ELECTRONICS,
INC., RICHARD I. BERGER, DONNA
RICHARDSON, PETER BEHRENDT,
RICHARD MILLER, BERNARD TARAN,
JAMES KOBLENSKY, THE BOSTON
GROUP, L.P., and ARTHUR ANDERSEN
LLP,

Defendants.

Case No. 97-2139-WJR-(MCx)

Consolidated With:

Case No. 97-3045 WJR (MCx)

Case No. 97-3196 WJR (MCx)

Case No. 97-4086 WJR (MCx)

Case No. 97-6886-WJR(MCx)

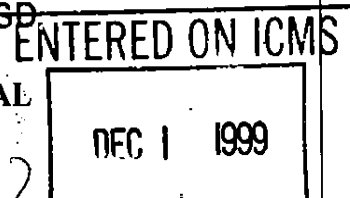
Date: November 19, 1999

Time: 10:00 a.m.

Courtroom: Hon. William J. Rea

☒ Docketed
☒ Copies / NTC Sent
JS - 5 / JS - 6
JS - 2 / JS - 3
☒ CLSD

FINAL JUDGMENT AND ORDER OF DISMISSAL



DEC - 1 1999

ORIGINAL

1 This matter came on for hearing on November 19, 1999, upon the application of
2 the Settling Parties for approval of the settlement set forth in the Stipulation of Settlement (the
3 "Stipulation") dated as of March 17, 1999. Due and adequate notice having been given to the
4 Settlement Class, and the Court having considered the Stipulation, all papers filed and
5 proceedings held herein and all oral and written comments received regarding the proposed
6 settlement, and having reviewed the entire record in the action, and good cause appearing.

7 IT IS HEREBY ORDERED, ADJUDGED AND DECREED AS FOLLOWS:

8 1. The Court, for purposes of this Final Judgment and Order of Dismissal
9 (the "Final Judgment"), adopts all defined terms as set forth in the Stipulation.

10 2. The Court has jurisdiction over the subject matter of the Class Action, the
11 Representative Class Plaintiffs, all Members of the Settlement Class, and the Defendants.

12 3. The Court finds that the distribution of the Notice of Pendency and
13 Proposed Settlement of Class Actions, Proof of Claim and Release, and publication of the
14 Summary Notice as provided for in the Order Preliminary Approving Settlement and Approving
15 the Form and Manner of Notice constituted the best notice practicable under the circumstances to
16 all Persons within the definition of the Settlement Class, and fully met the requirements of Rule
17 23 of the Federal Rules of Civil Procedure, due process, the United States Constitution, and any
18 other applicable law.

19 4. Pursuant to and in accordance with the requirements of Rule 23 of the
20 Federal Rules of Civil Procedure, the Court approves the settlement of the above-captioned
21 action set forth in the Stipulation, each of the releases and other terms, as fair, just, reasonable,
22 and adequate as to the Settling Parties. The Settling Parties are directed to perform in accordance
23 with the terms set forth in the Stipulation.

24 5. Except as to any individual claim of those Persons (identified in Exhibit 1
25 hereto) who have validly and timely requested exclusion from the Settlement Class, the
26 Litigation and all claims contained therein, including all of the Released Claims against the
27 Released Persons are dismissed with prejudice as to the Representative Class Plaintiffs, all
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1 Members of the Settlement Class. The Settling Parties are to bear their own costs, except as
2 otherwise provided in the Stipulation.

3 6. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, this Court has
4 certified a Settlement Class of all persons who purchased the common stock of Craig during the
5 period beginning May 21, 1996 through and including March 10, 1997, inclusive. Excluded
6 from the Settlement Class are the Defendants, officers and directors of Craig during the
7 Settlement Class Period, members of the immediate family of any Individual Defendant, any
8 entity in which any Defendant has a controlling interest, and the legal representatives, heirs,
9 successors and assigns of any such excluded party. Also excluded from the Settlement Class are
10 those persons who timely and validly request exclusion from the Settlement Class pursuant to the
11 Notice of Pendency and Proposed Settlement of Class Actions ("Notice") sent to the Settlement
12 Class Members.

13 7. With respect to the Settlement Class, this Court finds and concludes that:
14 (a) the Members of the Settlement Class are so numerous that joinder of all Settlement Class
15 Members in the Litigation is impracticable; (b) there are questions of law and fact common to the
16 Settlement Class which predominate over any individual questions; (c) the claims of the
17 Representative Class Plaintiffs are typical of the claims of the Settlement Class; (d) in
18 negotiating and entering into the Stipulation, the Representative Class Plaintiffs and their counsel
19 have fairly and adequately represented and protected the interests of all of the Settlement Class
20 Members; and (e) a class action is superior to other available methods for the fair and efficient
21 adjudication of the controversy, considering: (i) the interests of the Members of the Settlement
22 Class in individually controlling the prosecution of the separate actions, (ii) the extent and nature
23 of any litigation concerning the controversy already commenced by Members of the Settlement
24 Class, (iii) the desirability or undesirability of continuing the litigation of these claims in this
25 particular forum, and (iv) the difficulties likely to be encountered in the management of the
26 Litigation.

27 8. Upon the Effective Date, the Representative Class Plaintiffs and their
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1 counsel on their own behalf, and on behalf of all other Settlement Class Members, fully, finally,
2 and forever release, relinquish and discharge all Released Claims (including the extinguishment
3 of all claims asserting in the State Court Actions) against each and all of the Released Persons,
4 whether or not a Settlement Class Member executes and delivers the Proof of Claim and Release.

5 9. Upon the Effective Date, each of the Defendants and their respective
6 counsel shall, and by operation of the Judgment shall, fully, finally, and forever release,
7 relinquish and discharge each of the Representative Class Plaintiffs, the Settlement Class
8 Members, counsel to the Representative Class Plaintiffs, from all claims (whether or not known
9 or suspected) arising out of, relating to, or in connection with the institution, prosecution,
10 assertion or resolution of the Litigation or the Released Claims. Except for the obligations and
11 performance specifically set forth in the Stipulation of Settlement, Defendants hereby release and
12 forever discharge each other (and their respective spouses, attorneys, agents and representatives)
13 from any and all claims, demands, liabilities, obligations, contracts, agreements, causes of action,
14 suits, indemnity, contribution and costs of whatever nature related to the matters alleged or could
15 have been alleged in this Litigation.

16 10. Only those Settlement Class Members filing valid and timely Proofs of
17 Claim and Release forms shall be entitled to participate in the settlement and receive a
18 distribution from the Settlement Fund. The Proof of Claim and Release to be executed by the
19 Settlement Class Members shall release all Released Claims against the Released Persons. All
20 Settlement Class Members shall, as of the Effective Date, be bound by the releases set forth
21 herein whether or not they submit a valid and timely Proof of Claim and Release.

22 11. Neither the Stipulation nor the settlement contained therein, nor any act
23 performed or document executed pursuant to or in furtherance of the Stipulation or the
24 settlement: (a) is or may be deemed to be or may be used as an admission of, or evidence of, the
25 validity of any Released Claim, or of any wrongdoing or liability of the Defendants, or (b) is or
26 may be deemed to be or may be used as an admission of, or evidence of, any fault or omission of
27 any of the Defendants in any civil, criminal or administrative proceeding in any court,
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1 administrative agency or other tribunal. Released Persons may file the Stipulation and/or the
2 Judgment from the Litigation in any other action that may be brought against them in order to
3 support a defense or counterclaim based on principles of res judicata, collateral estoppel, release,
4 good faith settlement, judgment bar or reduction of any theory of claim preclusion or issue
5 preclusion or similar defense or counterclaim. Defendants have denied and continue to deny
6 each and all of the claims alleged in the Litigation. The Representative Class Plaintiffs or any
7 other Member of the Settlement Class may file the Stipulation in any proceeding brought to
8 enforce any of its terms or provisions.

9 12. Plaintiffs' Settlement Counsel are awarded an aggregate amount of
10 \$25,000.00 for attorneys' fees and reimbursement of expenses.

11 13. No Party or their respective counsel violated any of the requirements of
12 Rule 11 of the Federal Rules of Civil Procedure with respect to any of the complaint filed in this
13 Litigation, any responsive pleading to any of the complaint or any dispositive motion with
14 respect to any of the complaint.


15 14. The Court reserves exclusive and continuing jurisdiction over the
16 Litigation, the Representative Class Plaintiffs, the Settlement Class and the Released Persons for
17 the purposes of: (a) supervising the implementation, enforcement, construction, and
18 interpretation of the Stipulation, the Plan of Allocation, and this Judgment; (b) hearing and
19 determining any application by Representative Plaintiffs' Counsel for an award of attorneys' fees,
20 costs, and expenses; (c) supervising the distribution of the Settlement Fund; and (d) other matters
21 related or ancillary to the foregoing. The Representative Class Plaintiffs and all Settlement Class
22 Members, whether or not such Class Member has filed a Proof of Claim and Release, are hereby
23 forever restrained and enjoined from prosecuting, pursuing, or litigating any of the Released
24 Claims against any of the Released Persons in this or any other forum.

25 15. The Court finds that the settlement set forth in the Stipulation is in all
26 respects fair, reasonable and adequate to the Settlement Class, and the Defendants.

27 16. In the event that the Effective Date does not occur, then this Judgment
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1 shall be rendered null and void and shall be vacated and, in such event, subject to ¶ 8.6 of the
2 Stipulation, all orders entered and releases delivered in connection herewith shall be null and
3 void.

4
5 DATED: 11-24-99

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7 
8 THE HONORABLE WILLIAM J. REA
9 UNITED STATES DISTRICT JUDGE

10 Submitted by:

11 Goodkind Labaton Rudoff & Sucharow LLP

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14 Jonathan M. Plasse
15 Sameer Rastogi
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PROOF OF SERVICE BY MAIL

I, the undersigned, say:

I am a citizen of the United States and am employed in the office of a member of the Bar of this Court. I am over the age of 18 and not a party to the within action. My business address is 1801 Avenue of the Stars, Suite 311, Los Angeles, California 90067.

On November 22, 1999, I served the following:

1) FINAL JUDGMENT AND ORDER OF DISMISSAL;

on the parties shown below by placing a true copy thereof enclosed in a sealed envelope with postage thereon fully prepaid in the United States mail at Los Angeles, California.

SEE SERVICE LIST

Executed on November 22, 1999, at Los Angeles, California.

I certify under penalty of perjury that the foregoing is true and correct.


Daniel C. Rann

CRAIG

SERVICE LIST

Robert Jacobs v. Craig Consumer Electronics, Inc., et al.
Tiffany Lewin v. Craig Consumer Electronics, Inc., et al.
James Cave v. Craig Consumer Electronics, Inc., et al.
Ted Handel and David Landry v. Craig Consumer Electronics,
Inc., et al.
Sergio Smiriglia v. Craig Consumer Electronics, Inc., et al.

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